

UNIVERSITY OF ESSEX

DEPARTMENT OF ECONOMICS

Session 2005-06

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EC248-2-SP: MONETARY INNOVATIONS AND CENTRAL BANKS

**TERM PAPER TITLES 2005-06**

Details of assessment and submission deadlines are contained in the Undergraduate Economics Handbook, available from room 5B.211. Be sure to read the sections on **A Guide to Good Practice in Assessed Work** and **Making the best of your essays, term papers and projects**.

**Submission deadline:** noon on Friday 5<sup>th</sup> May 2006.

**1. Why and How the Credit Channel of the Monetary Transmission Mechanism Matters?**

*References for getting started:*

(a) Bernanke, Ben and Gertler, Mark (1995), "Inside the Black Box: The Credit Channel of Monetary Policy Transmission", *Journal of Economic Perspectives* 9 (4, Fall), 27-48.

<http://papers.nber.org/papers/w5146.v5.pdf> (version as NBER Working Paper 5146, June 1995)

(b) Hubbard, Glenn (1995), "Is There a 'Credit Channel' for Monetary Policy?", *Federal Reserve Bank of St Louis Review* 77 (May-June), 63-74.

[http://research.stlouisfed.org/publications/review/95/05/Credit\\_May\\_June1995.pdf](http://research.stlouisfed.org/publications/review/95/05/Credit_May_June1995.pdf)

**2. Inflation Targeting: Advantages and Disadvantages**

*References for getting started:*

(a) Bernanke, Ben and Mishkin, Frederic (1997), "Inflation Targeting: a New Framework for Monetary Policy", *Journal of Economic Perspectives* 11 (2, Spring), 97-116.

<http://papers.nber.org/papers/w5893.pdf> (version as NBER Working Paper 5893, January 1997)

(b) Arestis, Philip and Sawyer, Malcolm (2003), "Inflation Targeting: A Critical Appraisal", *Levy Economics Institute, Working Paper 388* (September)

[http://www.levy.org/default.asp?view=publications\\_view&pubID=f7d3bcce37](http://www.levy.org/default.asp?view=publications_view&pubID=f7d3bcce37) (and click on pdf icon)

**3. Basel II and Developing Countries: Challenges and Policy Options**

*References for getting started:*

(a) Stephanou, Constantinos and Mendoza, Juan Carlos (2005), "Credit Risk Measurement Under Basel II: An Overview and Implementation Issues for Developing Countries", *World Bank Policy Research Working Paper 3556* (April)

<http://courses.essex.ac.uk/ec/ec248/StephanouMendoza05WBPRWP3556Apr.pdf>

(b) Powell, Andrew (2004), "Basel II and Developing Countries: Sailing through the Sea of Standards", *World Bank Policy Research Working Paper 3387* (September)

<http://courses.essex.ac.uk/ec/ec248/Powell04WBPRWP3387Sep.pdf>

**4. The Future of Payments and Central Banking**

*References for getting started:* Panel Discussion on "Thoughts on the Future of Payments and Central Banking", *Journal of Money, Credit and Banking*, Vol. 31, No. 3, Part 2: The Role of Central Banks in Money and Payments Systems, Aug., 1999:

(a) Rolnick, Arthur, "Maintaining a Uniform (Electronic) Currency", 676-677.

[http://courses.essex.ac.uk/ec/ec248/Rolnick99JM CB31\(3\)2.pdf](http://courses.essex.ac.uk/ec/ec248/Rolnick99JM CB31(3)2.pdf)

(b) Thomson, James, "The Role of Central Banks in Money and Payments Systems", 677-681.

[http://courses.essex.ac.uk/ec/ec248/Thomson99JM CB31\(3\)2.pdf](http://courses.essex.ac.uk/ec/ec248/Thomson99JM CB31(3)2.pdf)